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November 21, 1996

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

EX PARTE

William F. Caton
Acting Secretary
Federal Communications Commission
Mail Stop 1170
1919 M Street, N.W., Room 222
Washington, D.C. 20554

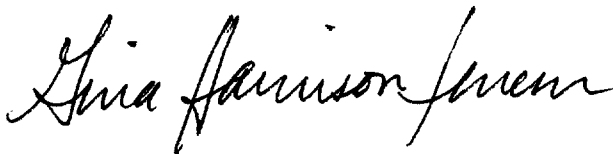
Dear Mr. Caton:

Re: CPNI, CC Docket No. 96-115

Yesterday, Lea Jones, Director, Regulatory Affairs, Pacific Bell Video Services, Merrienne Hoffman, Manager, Regulatory, Competitive Safeguards and Privacy, Pacific Bell, and I met with Barbara Esbin, Associate Chief, Cable Services Bureau, to discuss issues summarized in the attachment. We are submitting two copies of this notice, in accordance with Section 1.206(a)(1) of the Commission's rules.

Please stamp and return the provided copy to confirm your receipt. Please contact me should you have any questions.

Sincerely yours,



Attachment

cc: Barbara Esbin

No. of Copies rec'd 012
List ABCDE

Telecommunications Act of 1996
Customer Proprietary Network Information
FCC Docket 96-115

November 20, 1996

Any New Rules Adopted Need to be Flexible and Meet the Changing Telecommunications Footprint

- ◆ The Commission proposed three “buckets” for telecommunications services -- IntraLATA, InterLATA and CMRS -- as a way of defining the services offered by a telecommunications carrier.
 - These meet today’s needs, but also must be flexible enough to meet tomorrow’s demands as well.
 - The buckets should merge when the BOC and IXC are able to offer both local and long distance service.
- ◆ New CPNI rules that are adopted should support introduction of new services while meeting customer’s privacy needs.
- ◆ The same rules should apply to all parties; there should not be more restrictive rules for LECs.
 - There should not be different rules for smaller LECs, CLECs, IXCs, etc.
 - Cable TV firms can currently use their existing customer information to market new services.

The Proposed Three Buckets Can Permit Customer Control and Promote Competition and Development of New Services

- ◆ The Act does not require CPNI approval to market services within the same bucket.
 - For CMRS, the FCC has permitted information sharing for all services.
 - This should also be permitted for the remaining two buckets.
 - » Customers' expect that when they contact a company, the information they share will be used to identify the services that meet the customers' needs -- by assessing all services the company offers.
 - » Customers' expect the company to be knowledgeable about their needs and explain how the services they offer meet those needs.
- ◆ Section 551 permits a cable operator to collect information in order to render other services provided by the cable operator.

Safeguarding Consumers and Stimulating Competition

- ◆ Rules regarding the use of CPNI should be the same for all services provided by local exchange carriers and their affiliates.
- ◆ Consumers view the release of CPNI to external parties differently than use by their current carrier.
 - Carriers should be permitted to use CPNI internally for non-telecommunications services and products. This should include CPE, enhanced services and video programming.
 - To treat these products differently would be in conflict with the pro-competitive intent of the 1996 Act.
 - Competitors' attempts to create new regulatory barriers to prevent effective LEC competition should not be permitted.
- ◆ Customers will be fully informed on how the carrier will use their information, and will be given options:
 - Customers will be given written notification and ability to opt-out
 - Customers are permitted to give oral approval for future use of CPNI
 - Customers who opt-out will not be included in marketing and sales activities.

Notification and Opt-Out

- ◆ Notification and opt-out will allow customers to control use of their CPNI when needed, and will allow carriers to continue to provide information about new, innovative services if the customer does not choose to opt-out.
 - Customers would be informed about the information the carrier retains about them, and how that information will be used internally.
 - The LEC would explain that CPNI will be used to market services such as interLATA entertainment services and other non-telecommunications services.
 - Customers would be told how to have their name removed from the LEC's' lists or sales programs (opt-out)
 - Such a notification provides even greater customer control than envisioned by Congress in Section 222.
 - » The Act neither requires nor prohibits written notification to obtain use of CPNI internally.
 - Notice and opt-out is an approach that has been used effectively before.